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BOOK REVIEWS AND NOTICES

Commercial Policy in War Time and After. By WILLIAM SMITH CULBERTSON. New York: Appleton, 1919. Pp. xxiv+479. \$2.50 net.

This volume is one of the series "Problems of War and of Reconstruction." The publisher's advertisement speaks of it as a "constructive study of the national and international problems affecting the commercial policy of the United States in war time and during the period of reconstruction."

Dr. Culbertson possesses excellent equipment for writing such a book by virtue of his scholastic preparation and his long experience with governmental agencies—most recently the Tariff Commission—charged with the furnishing of data for the formation of the nation's commercial policies. There are three main divisions in the treatment of the subject: Part I, "War's Effect on Industry"; Part II, "American Commercial Policies"; and Part III, "World Commercial Policies." The main text is followed by nearly a hundred pages of appendixes, devoted to such varied subjects as a statistical study of American manufacturing industries, the Japanese demands on China, and the covenant of the League of Nations. Most of these could be omitted without injury to the book since reference is made to them only incidentally.

In Part I, the author discusses the effect of the war on industries in general throughout the world—depressing some, stimulating some, relocating some. He also examines the effect on certain special industries, such as the chemical industry. He considers the effect of these changes on competitive conditions after the war, and concludes that the increase in our own productive capacity will intensify competition for both foreign and domestic trade.

In Part II, Dr. Culbertson discusses the measures which should be adopted by this country in order to protect its industries from the sharp competition which he fears from abroad. One means of defense suggested is a protective tariff, based upon differences in costs of production to be determined by a tariff commission. For further protection it is suggested that countervailing duties be imposed to cover bounties granted by private cartels or associations, preferential railroad and steamship rates,

or any similar grants that tend to nullify the protection expected from the tariff.

A second defensive measure urged is legislation to prevent dumping. The author's protectionist leaning is shown here also by the fact that he is interested almost exclusively in preventing foreign producers from dumping goods in our markets. He would prevent "all selling in the United States at prices below those that prevail generally abroad, or that are below the cost of manufacture abroad" (p. 154).

So far as dumping in foreign markets by American producers is concerned Dr. Culbertson seems conscious of no special duty on our part. That is a matter for legislation by the country affected. "Producers have a right to seek whatever markets they choose for their goods" (p. 143). What of American consumers; have they no interest in the matter? The usual argument is advanced here that American consumers *may* benefit by allowing protected industries to dump their occasional surpluses because this procedure makes possible the continuous and most economical operation of the industry. The reviewer confesses that this argument has never been convincing to him. The same result would be obtained by selling the surplus in the domestic market, and the home consumers would thereby benefit. There would be no more likelihood of "spoiling the market" than there is that the local retailer will spoil his market by his occasional bargain sales.

Three lines of national encouragement and assistance for export trade are suggested: co-operation among producers; enactment of legislation permitting the establishment of free ports within the country; and the adoption of bargaining tariffs to insure equality of treatment in international commercial relations.

In Part III the author takes the position that there are many commercial practices which arouse antagonism and bitterness and these he says will "sow the seeds of future strife" just as similar acts have paved the way for past conflicts. Many of these practices are beyond the reach of national regulation. He therefore proposes international regulation under the League of Nations. These unfair methods include bounties on production and exportation; counterfeiting and imitating goods of a foreign competitor; artificial depression of prices by organized buyers; espionage through foreign banks; unfair price cutting; breach of contract; full-line forcing; bribery; threats; boycotts; disparagement of goods; discrimination in communication and transportation; and trade forcing through financial domination.

The author advocates international agreement, through treaty or conventions, upon what shall be regarded as unfair and undesirable trading methods. A commission—or possibly two, one for transportation and one for trade—should then be established under the League of Nations to investigate and make public infringements of the international rules. To show that this proposal is not so radical and untried as might appear, attention is directed to some of the forms of international control of trade, such as the Inter-Allied Food Council and the Inter-Allied Munitions Council, which were in effect during the war.

The creation of an international tariff commission is also urged. The duties of such a body would be the amicable adjustment of trade difficulties; the collecting and publishing of information concerning all the tariffs in the world; the interpretation of the most favored nation clauses; the investigation of concealed discriminating tariffs; and the collection of data on competitive conditions in each country.

Dr. Culbertson has given us a very readable and suggestive discussion of commercial policy. He sees commercial rivalry as one of the most important causes leading to war, and his purpose is to suggest means whereby these causes of conflict may be removed. A considerable measure of international control is his remedy. He does not, however, go so far as to subordinate national interests to international considerations. Nationalism and internationalism he regards as complementary ideals.

Readers of this volume will be conscious of a strong flavor of idealism throughout, but it is an idealism based upon sound theoretical and practical grounds. The reviewer fears, however, that the author is too optimistic when he assumes that because our people willingly submitted to restrictions imposed by the War Trade Board and similar bodies during the war, they have acquiesced in the view that the public interest is more controlling than the private interest. The ugly scramble on the part of the various groups in our industrial society, each intent on getting its feet in the trough, during the two years since the armistice has shown that mankind has not changed as much as we had hoped. The sacrifices made by all classes during the war, instead of developing any permanent trend toward self-abnegation, have merely made most of these classes more determined, now that the war is over, to make the other groups recompense them for such self-denial. The predatory instinct appears to be as strong as ever.

The author's confidence that our great strength will not be used "to further selfish national interests that will rouse the jealousy of other

nations and sow the seeds of future strife" seems to be unfounded. It is exactly this narrow selfish nationalism which has been most potent in the political campaign that has been waged with such bitterness during the past two years. This suggests the chief weakness of Dr. Culbertson's proposal; it requires a greater vision than men appear yet to possess.

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Personnel Administration. By ORDWAY TEAD AND HENRY C. METCALF. McGraw-Hill Book Co. Pp. 520. \$5.00.

The phrase "personnel administration" does not excite the romantic interest today that its equivalent of "employment management" awakened a few years ago. Then the dawning consciousness that there was such a thing as "labor turnover" and that employment matters could be concentrated in a functionalized department, so stimulated the public imagination that a flood of literature was let loose which soon bade fair to deluge the librarians.

While the words have been multiplying however, events have been marching on. It was chiefly the technique of employing workmen that interested the innovators in 1916. Since then we have seen great improvements in technique but it is the fundamental relationship between employers and workmen that interests us now. The onward surge of the labor movement demands action of one sort or another upon far-reaching policies of collective bargaining, work, and pay, and control over industry itself. That the business executives of the country have failed to realize the situation is patent, but their advisers upon the human problem have, as a group, almost equally failed to think the problem through.

It is especially timely therefore that Messrs. Tead and Metcalf should produce this work, which is an honest and intelligent effort to induce employers to face the industrial problem intelligently and with a liberal spirit. There is a full and satisfactory discussion of the more technical branches of personnel work, such as employment method, health and safety, education, research, and rewards. Although the reviewer finds himself disagreeing with many of the specific methods advanced, in particular with the authors' tendency toward a multiplication of "red tape," he does not know of any other book on the subject which is, on the whole, as sure-footed.